

Minutes of the Finance Committee

Wednesday, October 6, 2010

Chair Haukohl called the meeting to order at 8:33 a.m.

Present: Supervisors Pat Haukohl (Chair), Pamela Meyer, Bill Zaborowski, and County Board Chair Jim Dwyer. Dave Falstad arrived at 8:34 a.m. whereby Dwyer left the meeting. Rob Hutton arrived at 8:35 a.m. and left at 10:50 a.m. Jim Heinrich arrived at 9:32 a.m. **Absent:** Ted Rolfs.

Also Present: Chief of Staff Mark Mader, Jail Administrator Mike Giese, Business Manager Lyndsay Johnson, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Senior Financial Analyst Vince Masterson, Administration Director Norm Cummings, Collections & Business Services Manager Sean Sander, Accounting Services Manager Larry Dahl, Purchasing/Risk Manager Laura Stauffer, Information Systems Manager Mike Biagioli, Senior Financial Analyst Linda Hein, and Legislative Associate Mary Pedersen.

Approve Minutes of Previous Meeting(s)

MOTION: Zaborowski moved, second by Meyer to approve the minutes of 9-22-10. Motion carried 4-0.

Schedule Next Meeting Dates

- October 12 and 13

Falstad arrived at 8:34 a.m. whereby Dwyer left the meeting.

Chair's Executive Committee Report

Haukohl highlighted the following items from the last Executive Committee meeting.

- Reviewed the Request for Proposal for the Courthouse study.
- Approved the capital plan via resolution.
- Approved 2011 operating budgets for Federated Library, UW-Extension, Community Development, and Non-Departmental.

Hutton arrived at 8:35 a.m.

Announcements

Mader announced that Pedersen will be recognized as an Employee of Distinction.

Contract Procurement Process for Inmate Medical Services

Giese advised the contract was awarded to Correct Care Solutions, LLC, the highest rated proposer, for a total contract cost of \$7,470,055 for five years. The first year contract cost is \$1,386,384 which is less than the first year budgeted amount of \$1,408,210. A total of three vendors submitted proposals for consideration.

Haukohl asked why there was such a big increase in medical costs for inmates – a 2011 budget increase of \$78,000 for the jail. Johnson said there are a lot of different aspects to inmate medical

costs. Care becomes very expensive once a different care facility, specialists for example, is required. Giese noted they are required to provide medical care to inmates per state law. Cummings added that medical costs for inmates are “exploding” statewide.

MOTION: Zaborowski moved, second by Falstad to approve the contract procurement process for inmate medical services. Motion carried 5-0.

Review Five-Year Budget Projections and 2011 Cost-to-Continue

Cummings described budget projections and cost-to-continue as “partly cloudy with rays of sun.” Cummings and Witkowski gave a PowerPoint presentation entitled “Five-Year Financial Forecast, 2011-2015.” Cummings said we lost quite a bit of revenues this year and the outlook for 2011 is not much better, particularly for the Register of Deeds Office due to various factors. Investment income is also low. The external forecast environment involves a slow economic recovery resulting in low inflation and low interest rates while utility rates and most commodity prices are increasing. Health and medical care costs are increasing above inflation rates while fuel prices are stabilizing. Personnel costs are expected to increase 2% in 2011, reduced from 2.7% due to position reductions. Health insurance is budgeted at a 5% increase in 2011 and 6% increases in 2012 through 2015 in departmental budgets with an additional 4% in the Health Insurance fund based on actuary updates. Energy conservation efforts will continue to reduce utility consumption and costs. The capital plan still addresses the County’s infrastructure needs. The debt service plan reflects 2010 reduced borrowing of \$9 million versus a budget of \$10 million. We will continue existing services, programs and personnel and maintain what we have planned for.

Witkowski reviewed expenditure projections for 2011 through 2015. Total expenditures for 2011 (in millions) are expected to be \$267.8, a 2.3% increase from 2010; \$281.2 in 2012, a 5% increase; \$289.4 in 2013, a 2.9% increase; \$289.2 in 2014, a decrease of 0.1%; and \$293.4 in 2015, an increase of 1.4%. Revenues for 2011 (in millions) are expected to decrease \$0.1 from 2010, increase \$1.9 in 2012 from 2011, increase \$2.9 in 2013 from 2012, increase \$3.0 in 2014 from 2013, and increase \$3.1 in 2015 from 2014.

Heinrich arrived at 9:32 a.m.

2011 Budget Overview

Swartz and Witkowski gave an overview of the proposed 2011 operating budget including the County Executive’s submittal letter to the County Board. Two of the larger budget drivers for 2011 include housing jail inmates and County highway maintenance costs. Significant revenue changes, which have either been reduced or absorbed in the budget, include reduced investment income, Register of Deeds Real Estate Transfer and recording fees, AODA block grant funds, Health & Human Services (H&HS) WI Medicaid reporting funding, Parks & Land Use (PLU) real estate related inspection revenues, State transportation aids and maintenance revenues, State Shared Revenues, and agricultural land use conversion fee revenues. Significant growth areas/expanded services include interest and penalty on delinquent taxes due to higher delinquencies, H&HS Children long-term support service reimbursements, H&HS Community Recovery Service reimbursement revenues, H&HS Comprehensive Community Services reimbursements, and PLU user fee revenues.

The General County Tax Levy of \$97.5 million will be levied at a rate of \$1.97, up from \$1.87 in 2010, per \$1,000 of equalized value. Swartz went on to review 2011 budget assumptions, the budget summary including tax levy per department/agency, the capital budget, etc. The 2011 budget has gross expenditures totaling \$267.8 million, a \$6 million or 2.3% increase. Netting out interdepartmental charges, net expenditures are \$233.3 million or 5.4%, a 0.4% increase. Revenues overall increased by \$2.5 million to \$153.4 million. The fund balance overall is \$14 million, a 1.5% increase, mainly for capital, debt service, and some building improvement projects. Witkowski went on to review the Statistics/Trends section of the budget book including outstanding debt per capita.

Discuss and Consider the 2011 Operating Budget for the Department of Administration

Cummings and staff were present to discuss the proposed 2011 operating budget as outlined in the budget book and their PowerPoint presentation. Total all funds, department-wide, revenues are budgeted at \$11,827,037, an increase of \$601,995 or 5.4% from the 2010 budget; the County tax levy is budgeted at \$4,712,458, a decrease of 6.4% or \$323,865; and expenditures are budgeted at \$16,613,713, an increase of \$257,348 or 1.6%. Cummings said they did not receive cost-to-continue.

The positions summary showed a decrease of 1.11 for a total of 98.48 FTE positions. Cummings noted they reduced a manager position earlier this year and replaced it with a non-managerial position which is working out fine. Two manager positions have been eliminated over the last five years. They are doing more with less as workload continues to increase. One area is Wellness and we should see a payoff with that program in the future. Cummings said improvements in technology have helped employee workloads.

Hutton left the meeting at 10:50 a.m.

Cummings and staff went on to review the financial summaries, program highlights, objectives, and activities.

MOTION: Zaborowski moved, second by Falstad to tentatively approve the 2011 operating budget for the Department of Administration. Motion carried 5-0.

MOTION: Heinrich moved, second by Zaborowski to adjourn at 11:45 a.m. Motion carried 5-0.

Respectfully submitted,

Pamela Meyer
Secretary